

## OVERVIEW OF BUDGET

**DEPARTMENT: COUNTY ADMINISTRATIVE OFFICE**  
**COUNTY ADMINISTRATIVE OFFICER: JOHN F. MICHAELSON**  
**BUDGET UNIT: NON-DEPARTMENTAL REVENUE (AAA FAD)**

### I. GENERAL PROGRAM STATEMENT

The non-departmental revenue program includes income that is not directly related to any particular county activity. This discretionary revenue finances departmental budgets' local cost. The interest on notes appropriation reflects costs related to the county's annual short-term borrowing for cash flow needs. These costs are more than offset by earnings in the county's investment program. Special departmental expense appropriations are for county expenses that cannot be appropriately charged to a specific department.

	<b>Actual 2000-01</b>	<b>Budget 2001-02</b>	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>
<b><u>Appropriations</u></b>				
Special Dept Expense	1,353,994	1,809,664	1,371,645	1,000,000
Interest on Notes	12,916,155	12,375,000	4,799,268	5,000,000
Total Appropriation	14,270,149	14,184,664	6,170,913	6,000,000
<b><u>Revenue</u></b>				
Taxes	143,708,591	141,106,588	150,047,566	152,046,770
Use of Money & Prop	38,304,018	37,375,000	51,517,007	23,100,000
State Aid	105,323,189	105,443,570	114,518,053	116,953,588
Federal Aid	990,375	990,000	1,497,589	1,400,000
Current Services	26,697,197	29,654,799	26,562,698	30,432,750
Other	10,499,311	1,179,152	18,940,451	1,430,000
Total Revenue	325,522,681	315,749,109	363,083,364	325,363,108

### II. BREAKDOWN OF REVENUES

#### **TAXES**

	<b>Actual 2000-01</b>	<b>Budget 2001-02</b>	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>
Co Share - Prop Tax	110,522,748	109,235,316	114,760,004	118,485,250
Supplemental Tax Roll	2,368,978	1,300,000	2,918,443	2,316,700
Penalty on Current Taxes	668,487	1,445,598	1,055,112	1,036,200
Prior Prop Tx/Pnlts	5,061,880	4,205,000	3,814,650	3,722,170
Sales and Use Tax	13,887,200	15,000,000	14,204,651	14,400,000
Franchise	4,162,997	3,656,924	5,453,307	4,780,000
Property Transfer	4,904,282	4,600,000	5,938,919	5,442,000
Other Taxes	2,132,019	1,663,750	1,902,480	1,864,450
Total Taxes	143,708,591	141,106,588	150,047,566	152,046,770

The county's share of the 1.0% property tax for 2002-03 is estimated to be \$118.5 million. This is based on an estimated 6.0% increase to assessed valuation.

In addition to property tax, the county is authorized to collect other types of taxes in the unincorporated areas. Sales and use taxes are projected to increase slightly from 2001-02 actual. Franchise taxes are collected primarily from utility company and cable TV revenue. Estimates for 2002-03 have been reduced slightly from 2001-02 actual to reflect increased baseline usage amounts approved by the Public Utilities Commission and a Federal Communications Commission decision, currently under appeal, that cable modem services are not a cable service. Under California law, we cannot collect a franchise fee for any type of telecommunication transmission.

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### USE OF MONEY AND PROPERTY - \$23,100,000

Total interest earnings for 2002-03 are projected at \$23.1 million. These earnings will be offset by \$5.0 million in expenses associated with the short-term revenue anticipation notes program (TRANS). The decrease in this revenue source is due to an IRS ruling that prohibits issuance of 15 month TRANS, the decreased size of the 12 month TRANS borrowing and lower investment rates earned on County pool funds.

For 2001-02, actual interest revenues included \$32.3 million in regular interest earnings and \$19.2 million transferred in from the Teeter Tax Loss Reserve Fund pursuant to GASB 33. The \$19.2 million has been set-aside in the Teeter reserve.

### STATE AID

	<b>Actual 2000-01</b>	<b>Budget 2001-02</b>	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>
Motor Vehicle In Lieu	102,270,842	103,644,570	111,964,215	115,154,588
Other Aid	3,052,347	1,799,000	2,553,838	1,799,000
Total State Aid	105,323,189	105,443,570	114,518,053	116,953,588

Motor vehicle in-lieu tax is based on vehicle registration fees and new car sales statewide. Distribution of these funds is made on the basis of population. The proposed budget continues to show an increase in these revenues, although at a slower rate than in previous years, due to the over-performance this revenue source experienced in 2001-02 combined with forecasts by local economists. Other aid consists of a payment from the welfare realignment trust fund which replaced the state revenue stabilization program and SB90 reimbursements from the state.

### FEDERAL AID - \$1,400,000

Federal payments in lieu of taxes are due to federally owned lands within the county. This revenue source is budgeted to be consistent with actual revenues received in 2001-02.

### CURRENT SERVICES

	<b>Actual 2000-01</b>	<b>Budget 2001-02</b>	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>
Reimbursement-Indirect Costs	14,634,030	18,662,199	13,514,238	17,500,000
Law Enforcement Svc	3,985,115	3,937,000	3,983,962	3,937,000
Sheriff Contract Overhead	1,131,128	1,000,000	898,438	1,000,000
SB 813 Cost Reimbursement	1,282,878	755,600	1,455,700	1,295,750
Other Services	5,664,046	5,300,000	6,710,360	6,700,000
<b>Total Current Services</b>	26,697,197	29,654,799	26,562,698	30,432,750

Various state and federal grants permit the county to claim certain overhead costs against them. In addition, most fee supported general fund departments and taxing entities, such as the library and Board-governed special districts, are charged COWCAP to recover costs incurred in the general fund on their behalf. Reimbursement for indirect costs reflects those recovered allowable costs included in the 2002-03 countywide cost allocation plan (COWCAP). The increase in the 2002-03 budget from prior year actual is due to increases in costs of departments that are allocated as overhead.

Law enforcement services reflect the amount estimated to be recovered through the jail booking fee. The budget is based on a fee of \$159.72 on approximately 24,600 bookings. This fee was not increased for 2002-03.

Sheriff contract overhead represents certain county overhead charges recovered through city law enforcement contracts with the Sheriff's Department.

SB 813 cost reimbursement represents allowable charges for administration and operation of the supplemental property tax program. This reimbursement is tied directly to the performance of supplemental property tax revenue.

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Other services reflect the property tax administrative fee which the legislature provided for counties to recover the cost of property assessment and tax collection process from certain other local jurisdictions. This revenue is tied directly to the cost of that collection effort.

### **OTHER REVENUE - \$1,430,000**

Other revenue consists of voided warrants issued by the county, projected transfers of unclaimed property tax refunds to the general fund, the county share of vehicle code violation revenue, and other miscellaneous revenues.

Actual revenues for 2001-02 include approximately \$16.4 million in one-time revenues transferred from trust funds due to the implementation of GASB 33. Of this \$16.4 million, \$8.9 million was proceeds from the ongoing corruption litigation that has been set aside in the Restitution reserve to cover the continuing costs of this litigation.